

ESOA - Building flexible, adaptable and technology independent business processes

In today's business world no organization works in isolation. In fact, business process not only cuts across functions but also organizational boundaries to facilitate seamless collaboration with external stakeholders like suppliers, sub-contractors, shippers and third-party logistics service providers. To properly leverage this extended value chain, organizations need their enterprise applications to seamlessly integrate with partners' systems.

A typical Order-to-Cash process requires multiple interfaces with external supply chain partners such as customers and third-party logistics providers (3 PL). Traditionally, these interfaces are developed using middleware like TIBCO that are dependent on RFC calls. Inter-application communication, therefore, happens via non-standard message protocols and requires the construction of tightly-coupled interfaces. Challenges faced in creating such interfaces include:

- Prolonged implementation process.
- Use of non-standard protocols.
- Tightly coupled or non-flexible interfaces.
- High cost of upgrade / enhancement and maintenance.
- Interface is dependent on a particular technology.

In addition, order-to-cash processes vary widely from one organization to another. Even within an enterprise, different processes are followed across different business units and geographies. Traditional technologies used in ERP packages make it more complex to adapt to changes in existing business processes by upgrading the software solution. Tailoring an ERP package to suit changing business needs is not an easy task either.

Complexity increases when warehouse management is outsourced and 3PL is responsible for picking, packing and shipping of material.

Why Need a SOA?

SAP's Service Oriented Architecture (SOA) helps to design, build and manage enterprise systems that can be easily adapted to changing business needs, enabling business process to be nimble and flexible. By building smaller and re-usable building blocks (Enterprise Services) enterprise systems can be more easily tailored to changing business process requirements. SOA's other benefits include:

- Use of widely accepted open standards to reduce integration costs.
- Provides more flexibility to existing ERP packages.
- Reduces custom coding on standard ERP packages.
- Allows composite applications to be built to fill in whitespaces and handle changes in the business processes.
- Connects to external systems using standard protocols.
- Reduces implementation time frame.

SOA: The Order-to-Cash case study

Cognizant has provided services to implement SOA across various business processes in various industry verticals. The Order-to-Cash case study presented below describes the SOA-based solution delivered to one of the top- five pharmaceutical companies in the world.

Process Overview:

To showcase the advantages of SOA, the Order-to-Cash business process is automated with the help of SAP's Business Process Management (BPM) and Enterprise Services.

The process begins when the customer creates a purchase order by utilizing the Enterprise Service. This creates the sales order and triggers the delivery creation in the vendor's ECC system. The creation of the sales orders can also be triggered by the field force using mobile equipment.

Since warehouse management activities are outsourced, product delivery is handled by a third party Warehouse Management System (WMS), which is SOA enabled. If the WMS was not SOA enabled, a composite application could be built to quickly and inexpensively handle application integration.

Picking, packing and shipment happens from an outsourced warehouse and is updated in the WMS, which sends a message back to ECC to confirm the delivery.

Once Post Good Issue (PGI) for delivery is done, an invoice is created and sent to the customer for processing.

Business Benefits

- Ease of implementation.
- Significant reduction in project lifecycle, which thereby reduced project cost.
- Ease in identification and rectification of process inefficiency.
- Help in consolidation of redundant integration tools which exist due to dependency on certain technologies. This adds to cost savings.
- Technology independence helps to quickly adapt to changes among supply chain partners or changes emanating from mergers & acquisitions.
- Use of standard message type reduces application maintenance and upgrade costs.

Start Today

In a time when companies are relentlessly pushing to compete better, move faster and fight harder, Cognizant is the global technology partner with one single-minded passion: Dedicating our systems expertise, industry intelligence and global resources to make your business stronger

Note:

For more information on how to drive your business results with Cognizant, contact us at inquiry@cognizant.com or visit our website at <http://www.cognizant.com>.

Cognizant - Your Right Implementation Partner

Cognizant has a strategic focus on all emerging technologies impacting its customers. SOA has been one of the early focus areas. A dedicated CoE has been established for incubating and guiding projects that require assistance in ramping up quickly on SOA. Cognizant has an SAP Touchstone Center with dedicated resources for building scenarios, capabilities and Proof of Concepts in the SOA space. The center employs a large pool of consultants in both functional and technology tracks at various levels who are trained on all aspects of SAP's SOA offerings. They range from classic ERP consultants to technical developers, who have graduated to consult on SOA-based Business Suite 7 and compose solutions on NetWeaver Platform respectively.

Practice Overview

Cognizant's Life Science Practice partners with 27 of the top 30 global pharmaceutical/biotech organizations in addition to serving companies in the medical devices, CRO and life sciences product sectors. Whether it's driving process improvements to clinical operations, increasing sales & marketing effectiveness, meeting regulatory requirements or enhancing drug safety, Cognizant is redefining the way companies benefit from and experience global services. We enable business transformation by delivering consulting, analytics, IT and business process support to fuel innovation and competitive advantage.

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